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**WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Annual Financial Statements  
As of and for the Year Ended June 30, 2009

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**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana

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## **Independent Auditor's Report**

# ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

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## INDEPENDENT AUDITOR'S REPORT

Honorable Robert Crowe  
Washington Parish Sheriff  
Franklinton, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff, as of and for the year ended June 30, 2009, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Parish Sheriff as of June 30, 2009, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 23, 2009 on my consideration of the Washington Parish Sheriff's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and on page 30, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

A handwritten signature in black ink, reading "Robert A. Neilson". The signature is written in a cursive style with a large, stylized 'R' and 'N'.

Certified Public Accountant

Bogalusa, Louisiana  
December 23, 2009

**Required Supplemental Information –  
Part I**

WASHINGTON PARISH SHERIFF  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2009

This section of the annual financial report presents our discussion and analysis of the Sheriff's financial performance during the year ended June 30, 2009. Please read it in conjunction with the financial statements and the accompanying notes to those financial statements.

**FINANCIAL HIGHLIGHTS**

- The Sheriff's liabilities exceeded its assets by \$734,786 at June 30, 2009 and assets exceeded liabilities by \$200,726 at June 30, 2008.
- Revenue decreased approximately 19% primarily due to a decrease in sales tax and operating grant revenues.
- Expenses decreased approximately 19% primarily due to a decrease in salary and related benefits in addition to material and supplies expense and the closure of the work release facility.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Sheriff's financial statements. The Sheriff's financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Sheriff's finances in a manner similar to private sector business. They present the financial picture of the Sheriff from an economic resources measurement focus using the accrual basis of accounting.

The statement of net assets presents information on all the Sheriff's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets should serve as a useful indicator of whether the financial position of the Sheriff is improving or deteriorating.

The statement of activities presents information showing how net assets changed during the fiscal year using full accrual basis accounting. All revenues and expenses are reported in this statement regardless of when cash is received or paid.



**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Sheriff has two types of funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The governmental fund statements provide a short-term view of the Sheriff's general government operations. The Sheriff uses one governmental fund, the general fund, to account for its operations.

**Fiduciary funds.** Fiduciary funds are used to report taxes, fines, and fees collected for other taxing bodies located in our parish, deposits pending court action, and the individual prison inmate accounts. These activities are excluded from the government-wide statements because the Sheriff cannot use these assets to finance its operations.

**Notes to the basic financial statements.** The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The Sheriff's net assets at June 30, 2009 and 2008 are summarized below.

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 589,011	\$ 655,186
Capital assets (net of accumulated depreciation)	<u>931,352</u>	<u>900,574</u>
Total assets	<u>\$1,520,363</u>	<u>\$ 1,555,760</u>
Current and other liabilities	\$ 764,332	\$ 389,316
Long-term liabilities		
Due within one year	500,000	0
Due in more than one year	<u>990,817</u>	<u>965,718</u>
Total liabilities	<u>2,255,149</u>	<u>1,355,034</u>
Net Assets:		
Invested in capital assets, net of related debt	931,352	900,574
Unrestricted	<u>(1,666,138)</u>	<u>(699,848)</u>
Total net assets (deficit)	<u>\$ (734,786)</u>	<u>\$ 200,726</u>

Receivables are 39% and 27% of total assets at June 30, 2009 and 2008, respectively. Capital assets, net of accumulated depreciation are 61% and 58% of total assets at June 30, 2009 and 2008, respectively. Capital assets are non-liquid assets and cannot be utilized to satisfy the Sheriff's obligations.

Governmental activities decreased net assets by \$935,512 and \$1,182,238 in the years ended June 30, 2009 and 2008, respectively. A condensed Statement of Activities is presented below.

Revenues:	<u>2009</u>	<u>2008</u>
Program:		
Charges for services/fines	\$1,426,125	\$1,520,708
Operating grants and contributions	265,396	1,133,984
Capital grants and contributions	248,200	18,909
General:		
Property taxes	1,558,903	1,541,594
Sales and use taxes	2,178,589	2,911,879
State Revenue Sharing	134,652	143,023
Interest	745	15,876
Miscellaneous	<u>122,573</u>	<u>24,028</u>
Total revenues	<u>5,935,183</u>	<u>7,310,001</u>
Program expenses:		
Public Safety	<u>6,870,695</u>	<u>8,492,239</u>
Total expenses	<u>6,870,695</u>	<u>8,492,239</u>
Change in net assets	(935,512)	(1,182,238)
Net assets-beginning	<u>200,726</u>	<u>1,382,964</u>
Net assets-ending (deficit)	<u>\$ (734,786)</u>	<u>\$ 200,726</u>

## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The Sheriff is heavily reliant on property taxes and sales taxes to support its operations. Property taxes provided 26% of the Sheriff's total revenues, sales taxes provided 37%, and program revenues provided for 33%.

The Washington Parish Sales/Use Tax Centralization Commission voted to renew the Sales tax collection contract with the Sheriff's office. The contract was signed July 1, 2004, and renewed July 1, 2009, giving the Sheriff's office a 5-year renewal for sales and use tax collections. This allows the Sheriff to receive a commission of 1.5% of sales tax collections.

The anticipated revenue stream from this commission is in excess of \$200,000 per year. The Sheriff is responsible for all tax collections as well as the

performance of sales and use tax audits. The aggressive collection of sales tax is a benefit for all parish agencies.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The budget was not prepared in accordance with the provisions of the Local Government Budget Act. The budget was amended in 2009; however, the budget was not adjusted in accordance with actual changes in revenues and expenditures.

The following are significant variations between the budget and actual amounts.

1. Actual total revenues and other financing sources exceeded budgeted total revenues and other financing sources by \$53,183.
2. Total actual expenditures were more than total budgeted expenditures by \$494,374 (7.7% of total budgeted expenditures).

## **CAPITAL ASSETS**

**Capital Assets.** The following summarizes the Sheriff's investment in capital assets at June 30, 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Capital assets	\$2,150,219	\$1,869,578
Less accumulated depreciation	<u>(1,268,867)</u>	<u>(1,019,004)</u>
Capital assets, net	<u>\$ 931,352</u>	<u>\$ 900,574</u>

The Sheriff purchased capital assets of \$338,986 and \$37,497 in 2009 and 2008, respectively.

## **LONG-TERM LIABILITIES**

**Long-Term Liabilities.** Subsequent to Hurricane Katrina, Washington Parish was declared eligible for Community Disaster Loans from the U.S. Department of Homeland Security. Accordingly, the Sheriff's office was extended a line of credit in the amount of \$1,172,000. The purpose of the loan was to cover any additional costs the Sheriff's office may incur in respect to the storm and also in anticipation of any loss of revenue. The interest rate of the loan is 2.76% and the principal and all accrued interest is due on February 6, 2011.

On February 28, 2006, the Sheriff's borrowed \$610,000 against the line of credit and \$300,000 on July 7, 2006 totaling \$910,000 of principal outstanding as of June 30, 2009. Outstanding accrued interest was \$80,817. There are no current plans to make any additional draws on the line of credit.

On March 30, 2009, the U.S. Department of Homeland Security Secretary Janet Napolitano announced that the Federal Emergency Management Agency (FEMA) had proposed an amendment to its Special Community Disaster Loan (CDL) regulations to include loan forgiveness procedures and requirements. This will allow the Sheriff's office to apply for cancellation of these loan obligations.

In July of 2008, the Sheriff opened a \$750,000 line of credit at 6% interest rate at a local bank to finance general operations. Although the initial term of the line of credit was due June 30, 2009, it is classified as a long-term debt because the Sheriff intended to renegotiate the line of credit (and in fact did renegotiate the line of credit) to a long-term due date.

The following summarizes the long-term liability activity during the year ended June 30, 2009.

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>06/30/09</u>
FEMA Disaster Loan	\$965,718	\$ 25,099	\$ -	\$ 990,817
Line of Credit	0	900,000	400,000	500,000
Total	<u>\$965,718</u>	<u>\$925,099</u>	<u>\$ 400,000</u>	<u>\$1,490,817</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The primary source of revenue for the Washington Parish Sheriff's office is based on a proportionate share of the taxes levied by the various taxing bodies of the parish. A sales tax increase of 0.5% was voted down October 17, 2009, which would have been allocable entirely to the Sheriff's Office to cover increased expenses. Due to the rejection of the increase, the Sheriff's Office has taken necessary actions to reduce expenses in all functions of the Sheriff's Office. Cuts to expenses include a reduction of staff, the closure of the sales tax office, the temporary closure of the Bogalusa sub-station, as well as other measures to ensure the Sheriff's Office operates within its fiduciary capacity.

## **FUND BALANCE (DEFICIT)**

The Sheriff's Office has made numerous cuts to expenses, including laying off approximately twenty (20) employees, merging the sales tax office into the main office, and various other cost saving mechanisms, in an effort to meet budgetary expectations. The negative fund balance of (\$175,548) reflected on the 2008-2009 fund financial statements will be rectified on the 2009-2010 through these cuts, which total approximately \$817,000. Additionally, the financial statements are being reviewed on a monthly basis and the Sheriff is prepared to make

additional cuts as they become necessary. Finally, the Sheriff may possibly request the voters to pass a quarter-cent sales tax increase dedicated solely to law enforcement in the Spring 2010.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's finances and to demonstrate the Sheriff's accountability for the money it receives. If you have questions about this report or need additional information, contact Mechelle Galloway, CFO, 1002 Main Street, Franklinton, LA 70438.

# **Basic Financial Statements**

**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana  
Statement of Net Assets  
June 30, 2009

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ (2,656)
Receivables	591,655
Due from other funds	12
Capital assets, net of accumulated depreciation	<u>931,352</u>
<b>Total Assets</b>	<u>1,520,363</u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 362,774
Salaries and benefits payable	172,886
Accrued annual leave	227,881
Due to other funds	41
Due to others	750
Long-Term Liabilities:	
Due Within One Year	500,000
Due In More Than One Year	<u>990,817</u>
<b>Total Liabilities</b>	<u>2,255,149</u>
 <b>NET ASSETS</b>	
Invested in capital assets, net of related debt	931,352
Unrestricted	<u>(1,666,138)</u>
<b>Total Net Assets (Deficit)</b>	<u>\$ (734,786)</u>

The accompanying notes are an integral part of this financial statement.

# WASHINGTON PARISH SHERIFF

Franklinton, Louisiana

Statement of Activities

For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
	Fees, Fines, & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:				
Public Safety	\$6,870,695	\$ 1,426,125	\$ 248,200	\$ (4,930,974)
Total	<u>\$6,870,695</u>	<u>\$ 1,426,125</u>	<u>\$ 248,200</u>	<u>\$ (4,930,974)</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes				1,558,903
Sales and use taxes levied for special purposes				2,178,589
State revenue sharing				134,652
Interest				745
Miscellaneous				<u>122,573</u>
Total general revenues				<u>3,995,462</u>
Change in net assets				(935,512)
Net assets-beginning				<u>200,726</u>
Net assets-ending				<u>\$ (734,786)</u>

The accompanying notes are an integral part of this financial statement.



**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Balance Sheet

Governmental Funds

June 30, 2009

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ (9,994)	\$ 7,338	\$ (2,656)
Receivables	591,654	1	591,655
Due from other funds	<u>7,124</u>	<u>0</u>	<u>7,124</u>
<b>Total Assets</b>	<u>\$ 588,784</u>	<u>\$ 7,339</u>	<u>\$ 596,123</u>

**LIABILITIES AND FUND BALANCE (DEFICIT)****Liabilities:**

Accounts payable	\$ 362,774	\$	\$362,774
Salaries and benefits payable	172,886		172,886
Due to other funds	41	7,112	7,153
Due to others	750		750
Accrued vacation leave	<u>227,881</u>		<u>227,881</u>
<b>Total Liabilities</b>	<u>764,332</u>	<u>7,112</u>	<u>771,444</u>

**Fund Balance (Deficit):**

Unreserved, reported in:

General Fund	<u>(175,548)</u>	<u>227</u>	<u>(175,321)</u>
<b>Total Fund Balance (Deficit)</b>	<u>(175,548)</u>	<u>227</u>	<u>(175,321)</u>

**TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)** \$ (175,321)

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements. 931,352

Long-term obligations which are not reported in the fund financial statements. (1,490,817)

Net assets of governmental activities. \$ (734,786)

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2009

	General Fund	Other Governmental Funds	Total
<b>REVENUES</b>			
Ad valorem taxes	\$1,558,903	\$	\$1,558,903
Sales Taxes	2,178,589		2,178,589
Intergovernmental revenues:			
Federal Grants	267,296	3,931	271,227
State Grants	22,629		22,629
State revenue sharing	134,652		134,652
State supplemental pay	219,740		219,740
Fees, charges and commissions for services:			
Commissions	571,450		571,450
Civil and criminal fees	214,562	28,047	242,609
Feeding and keeping prisoners	612,066		612,066
Interest	731	14	745
Other revenues	93,615	18,578	112,193
<b>Total Revenues</b>	<u>5,874,233</u>	<u>50,570</u>	<u>5,924,803</u>
<b>EXPENDITURES</b>			
Current:			
Public Safety:			
Personal services	4,441,097	37,970	4,479,067
Materials and supplies	1,106,026	9,773	1,115,799
Feeding and keeping prisoners	324,430		324,430
Work Release	285,329		285,329
Grants expenses	44,859		44,859
Contractual services	175,244		175,244
Continuing education	12,739		12,739
Other	75,288	2,600	77,888
Interest	998		998
Debt service;			
Principal	0		0
Interest	21,035		21,035
Capital outlay	338,986		338,986
<b>Total Expenditures</b>	<u>6,826,031</u>	<u>50,343</u>	<u>6,876,374</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year ended June 30, 2009  
(Continued)

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (951,798)	\$ 227	\$(951,571)
<b>Other Financing Sources (Uses)</b>			
Sale of surplus equipment	10,380		10,380
Line of credit proceeds	<u>500,000</u>		<u>500,000</u>
Total other financing sources	<u>510,380</u>	<u>0</u>	<u>510,380</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures</b>	(441,418)	227	(441,191)
<b>Fund balances-beginning</b>	<u>265,870</u>	<u>0</u>	<u>265,870</u>
<b>Fund balances-ending (deficit)</b>	<u>\$(175,548)</u>	<u>\$ 227</u>	<u>\$(175,321)</u>

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities  
Governmental Funds  
For the Year ended June 30, 2009

Net change in fund balances – total governmental funds \$ (441,191)

Amounts reported for *governmental activities* in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense. This is the amount by  
which capital outlays, \$338,986, exceeded depreciation,  
\$308,208, in the current period.

30,778

In the statement of activities, only the *gain* on the sale of  
capital assets is reported, whereas in the governmental  
the proceeds from the sale increase financial resources. Thus,  
the change in net assets differs from the change in fund balance  
by the book value of the assets sold.

(0)

Long-term borrowing provides current financial resources to  
governmental funds, but issuing debt increases long-term  
liabilities in the statement of net assets. Repayment of  
long-term principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the statement  
of net assets. This is the amount by which proceeds exceeded  
repayments.

(525,099)

Change in net assets of government activities

\$ (935,512)

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2009

<b>ASSETS</b>	<u>Agency Funds</u>
Cash	\$ 1,629,254
Accounts Receivable	<u>1,376,799</u>
 Total Assets	 <u><u>\$ 3,006,053</u></u>
 <b>LIABILITIES</b>	
Liabilities:	
Due to other taxing bodies	\$ 1,871,213
Held for others pending court action	1,112,574
Held for inmates	<u>22,266</u>
 Total Liabilities	 <u><u>\$ 3,006,053</u></u>

The accompanying notes are an integral part of this financial statement.

## **Notes to the Financial Statements**

## **WASHINGTON PARISH SHERIFF'S OFFICE**

Franklinton, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2009

### **INTRODUCTION**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility of enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales tax throughout the parish.

### **1. Summary of Significant Accounting Policies**

#### **A. Reporting Entity**

The Sheriff is an independently elected official. The Washington Parish Government has determined that the Sheriff is not a component unit of Parish Government utilizing criteria established by GASB Statement 14.

The accompanying financial statements present information only on the funds maintained by the Sheriff and do not present information on the Washington Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

### **B. Basis of Presentation**

The accompanying basic financial statements of the Washington Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

#### *Government-Wide Financial Statements (GWFS)*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Sheriff. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

#### *Fund Financial Statements (FFS)*

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and



## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental funds is at least ten percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental fund:

The General Fund is the primary operating fund of the Sheriff. It accounts for all the financial resources except those that are required to be accounted for in other funds.

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement focus, but use the accrual basis of accounting.

### **C. Measurement Focus/Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized in the month the sale occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough

## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

thereafter to pay liabilities of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures, generally, are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

### **D. Budget Practices**

Proposed budgets, prepared on the modified accrual basis of accounting, are published in the official journal at least 10 days prior to the public hearing. Public hearings are held at the Sheriff's office during the month of June for comments from taxpayers. The budgets are then legally adopted by the Sheriff and amended during the year, as necessary.

Neither encumbrances accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and the final budget.

### **E. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or times deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Tax collections must be deposited in a bank domiciled in the parish where the funds were collected.

### **F. Investments**

Under Louisiana Revised Statute (R.S.) 33:2955, the Sheriff may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Under this definition the Sheriff does not have any investments.

**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

**G. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and depreciation is recorded in the Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	5 years
Buildings	40 years
Building Improvements	10 years
Furniture and equipment	5 years
Other capital assets	5 years

**H. Compensated Absences**

The Sheriff's department adopted the following policy regarding annual and sick leave effective July 1, 2008:

Annual leave: accumulates, with exceptions, up to a limit of 480 hours carried forward annually; is paid upon termination; and accrues as follows (assuming 80 hour pay period):

- Less than 3 years of service - 12 days
- 3 – 5 years of service - 15 days
- 5 – 10 years of service - 18 days
- 10 – 15 years of service - 21 days
- 15 or more years of service - 24 days

Sick leave: accumulates, with exceptions, without limit carried forward annually; is not paid upon termination; and accrues at the same rate as noted above for annual leave.

## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

### **I. Interfund Transactions**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

### **J. Sales Taxes**

On October 3, 1992, the voters of Washington Parish approved (for an indefinite period) a ½ percent sales tax to be effective January 1, 1993. Beginning July 1, 1996, the Sheriff began collecting the tax as the central sales tax collection agency for Washington Parish. The net proceeds of the tax were rededicated by voter approval on November 13, 2005 to the following exclusive uses:

- Sixty (60) percent to the salaries of criminal law enforcement deputies.
- Twenty (20) percent to the support of criminal law enforcement deputies, including the hiring and training of additional criminal law enforcement personnel, consisting of criminal patrol deputies, juvenile officers, burglary and narcotics detectives.
- Twenty (20) percent to the purchase, maintenance and support of law enforcement vehicles and equipment.

### **K. Ad Valorem Taxes**

The following is a summary of authorized and levied ad valorem taxes.

	Levied <u>Millage</u>	Expiration <u>Date</u>
General Operations	10.47	Indefinite

**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

**L. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

At June 30, 2009, the Sheriff had cash and cash equivalents (book balance/(deficit)) totaling (\$2,656) as follows:

Petty Cash	\$ 384
Demand deposits	<u>(3,040)</u>
Total unrestricted cash (deficit)	<u>\$ (2,656)</u>

At June 30, 2009, the Sheriff maintained a cash balance of \$1,629,254 in the agency funds, which are not reflected in the Statement of Net Assets. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

**3. Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2009, the Sheriff has \$1,626,598 in deposits (collected) bank balances. These deposits are secured from risk by \$250,000 of federal deposit insurance and \$1,376,598 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Notes to the Financial Statements (continued)

**4. Receivables**

The receivables of \$591,654 at June 30, 2009 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Sales tax	\$ 149,413	\$	\$ 149,413
Parish government prisoner feeding	111,601		111,601
Retiree insurance	3,222		3,222
Miscellaneous	<u>327,418</u>	<u>1</u>	<u>327,419</u>
Total	<u>\$ 591,654</u>	<u>\$ 1</u>	<u>\$ 591,655</u>

**5. Interfund receivables/payables**

Individual balances due from/to other funds at June 30, 2009 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 7,112	\$
Special Revenue Funds: Drug Task Force		<u>7,112</u>
Total	<u>\$ 7,112</u>	<u>\$ 7,112</u>

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Notes to the Financial Statements (continued)

**6. Capital Assets**

A summary of the capital asset and accumulated depreciation activity and the current year depreciation follows:

	Balance 06/30/08	Increases	Decreases	Balance 06/30/09
Governmental activities:				
Capital assets not depreciated:				
Land	\$50,000	\$ 0	\$ 0	\$50,000
Total capital assets not depreciated	50,000	0	0	50,000
Capital assets being depreciated				
Vehicles	858,419	90,786	58,346	890,859
Buildings	186,747	0	0	186,747
Furniture and equipment	121,562	71,167	0	192,729
Other capital assets	702,850	177,033	0	879,883
Total capital assets being depreciated	<u>1,869,578</u>	<u>338,986</u>	<u>58,346</u>	<u>2,150,218</u>
Less accumulated depreciation for:				
Vehicles	(516,450)	(121,763)	(58,346)	(579,867)
Buildings	(18,984)	(9,494)	0	(28,478)
Furniture and equipment	(95,317)	(25,400)	0	(120,717)
Other capital assets	<u>(388,253)</u>	<u>(151,552)</u>	<u>0</u>	<u>(539,805)</u>
Total accumulated depreciation	<u>(1,019,004)</u>	<u>(308,208)</u>	<u>(58,346)</u>	<u>(1,268,866)</u>
Capital assets being depreciated, net	<u>\$ 900,574</u>	<u>\$ 30,778</u>	<u>\$ (0)</u>	<u>\$ 931,352</u>

For the year ended June 30, 2009, depreciation expense was \$308,208.

## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

### **7. Pension Plan**

*Plan Description.* Substantially all employees of the Washington Parish Sheriff's office are members of the Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All Sheriffs, all deputies, and non-deputized employees who are found to be physically fit and 18 years of age or older, who earn at least \$400 per month, if employed after September 7, 1979 and before January 1, 1991, \$550 per month, if employed between January 1, 1991 and December 31, 1999, or \$800 per month if employed after January 1, 2000 are required to participate in the System. Benefits are computed at 3 1/3% for each year of creditable service, including purchased military or prior service. Members are eligible to retire at or after age 55 with at least 12 years of credited service. Members with 20 or more years of service are eligible for an actuarially reduced benefit at age 50. In any average case, the retirement benefit cannot exceed 100% of their final average salary. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, LA 70802, or by calling (225) 219-0521.

*Funding Policy.* Plan members are required by state statute to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sheriff's contributions to the System for the years ending June 30, 2009, 2008, 2007



## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

were \$395,935, \$409,372, and \$316,926, respectively, equal to the required contributions for each year.

### **8. Post-retirement benefits**

The Washington Parish Sheriff provides certain continuing health care benefits for retired employees. The Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff and have fifteen (15) years of service. These benefits for retirees and similar benefits for active employees are provided through the Sheriff's General Fund. The Sheriff recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2009, the Sheriff expended \$659,336 for health care and life insurance benefits. Included in this total is \$71,829 of health care benefits paid for retirees. As of June 30, 2009, there were 18 retirees and 115 active employees.

### **9. Long-Term Obligations**

Subsequent to Hurricane Katrina, Washington Parish was declared eligible for Community Disaster Loans from the U.S. Department of Homeland Security. Accordingly, The Sheriff's office was extended a line of credit in the amount of \$1,172,000. The purpose of the loan was to cover any additional costs the Sheriff's office may incur in respect to the storm and also in anticipation of any loss of revenue. The interest rate of the loan is 2.76% and the principal and all accrued interest is due on February 6, 2011.

On February 28, 2006, the Sheriff's Office borrowed \$610,000 against the line of credit and \$300,000 on July 7, 2006 totaling \$910,000 of principal outstanding as of June 30, 2009. Total amount outstanding, including interest, as of June 30, 2009 was \$990,817.

On March 30, 2009, the U.S. Department of Homeland Security Secretary Janet Napolitano announced that the Federal Emergency Management Agency (FEMA) had proposed an amendment to its Special Community Disaster Loan (CDL) regulations to include loan forgiveness procedures and requirements. This will allow the Sheriff's office to apply for cancellation of these loan obligations.

The Sheriff uses a \$750,000 revolving line of credit at 6% per annum interest rate with a local bank to finance general operations. The line of credit is collateralized by a continuing security interest in all deposits of the

**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

Sheriff (except fiduciary fund deposits) at the bank. The amount outstanding under the line of credit fluctuated during the year, but did not exceed \$500,000 at any time during the year.

The following is a summary of the long-term obligation transactions for the year ended June 30, 2009:

	Line of Credit	FEMA Disaster Loan	Total
Amount owed 06/30/08	\$ 0	\$965,718	\$ 965,718
Additions	900,000	25,099	925,099
Deductions	(400,000)	0	(400,000)
Amount owed 06/30/09	<u>\$500,000</u>	<u>\$990,817</u>	<u>\$ 1,490,817</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions payable as of June 30, 2009:

	Line of Credit	Disaster Loan	Total
Current portion	\$500,000	\$ 0	\$ 500,000
Long-term portion	<u>0</u>	<u>990,817</u>	<u>990,817</u>
Total	<u>\$500,000</u>	<u>\$ 990,817</u>	<u>\$1,490,817</u>

**10. Operating Leases**

The Sheriff leases office space for the motor pool and investigation facilities and equipment sites under operating leases – the equipment site lease is non-cancellable. Total expenditures for these leases for the year ended June 30, 2009 were \$36,600.

Future minimum rental payments are required under operating leases that have non-cancelable lease terms in excess of one year are as follows:

	Equipment Site	Total
June 30, 2010	\$ 5,760	\$ 5,760
June 30, 2011	5,760	5,760
June 30, 2012	5,760	5,760
June 30, 2013	5,760	5,760
Total	<u>\$ 23,040</u>	<u>\$ 23,040</u>

## **WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

### **11. Joint Venture**

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by federal grants from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with contributions from the two law enforcement agencies.

### **12. Expenditures of the Sheriff's Office Paid by the Parish Council**

The Sheriff's office occupies various facilities owned by the Parish. The cost of maintaining and operating these facilities, as required by Louisiana Revised Statute 33:4715, is paid by the Washington Parish Government.

### **13. Risk Management**

The Sheriff is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, and natural disasters. To handle such risk of loss, the Sheriff maintains commercial insurance coverage, automobile liability, medical payments, uninsured motorist, and surety bond coverage. The Washington Parish Sheriff participates in the Louisiana Sheriff's Law Enforcement Program to provide excess liability insurance and law enforcement professional liability insurance. During the year ended June 30, 2009, the Sheriff has paid \$67,896 for automobile coverage and \$137,323 for professional liability coverage. No claims were paid in the last three years that exceeded the policies' coverage amount. There have been no significant reductions in the insurance coverage during the year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Sheriff.

### **14. Litigation and Claims**

At June 30, 2009, the Sheriff was involved in a number of lawsuits to which the outcome is uncertain at this time. Although, legal counsel has advised the Sheriff that the Louisiana Constitution does not allow a person holding a judgment against the Sheriff to levy or collect such judgment against the assets of the Sheriff through judicial action, the Sheriff did settle a claim during the year ended June 30, 2009 for \$12,500.

**WASHINGTON PARISH SHERIFF**

Franklinton, Louisiana

Notes to the Financial Statements (continued)

**15. Contingent Liability**

The Sheriff receives funds from a number of state and federally-assisted grants. Audits of these grants could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Sheriff's management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**16. Changes in Agency Fund Balances**

A summary of changes in unsettled balances due to taxing bodies and others are as follows:

	Sheriff's Fund	Tax Collector Fund	Sales Tax Collector Fund	Inmate Fund	Other Funds	Total
Balance at 06/30/08	\$ 108,033	\$ 1,028,563	\$ 1,950,668	\$ 73,515	\$ 105	\$ 3,160,884
Additions	900,214	18,727,984	18,961,141	134,938	205,537	38,929,814
Deductions	899,121	18,330,299	19,480,487	177,961	196,775	39,084,643
Balance at 06/30/09	<u>\$109,126</u>	<u>\$1,426,248</u>	<u>\$1,431,322</u>	<u>\$30,492</u>	<u>\$8,867</u>	<u>\$3,006,055</u>

**17. Taxes Paid Under Protest**

The unsettled balances due to taxing bodies and others at June 30, 2009, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$974,296. These monies are held in escrow pending resolution of the protest.

**18. Deficit Fund Balance**

The following fund has a deficit in unreserved fund balance (net assets) at June 30, 2009:

<u>Fund</u>	<u>Amount</u>
General Fund	(\$175,548)

The Sheriff's Office has made numerous cuts to expenses, including laying off approximately twenty (20) employees, merging the sales tax office into the main office, and various other cost saving mechanisms, in an effort to meet budgetary expectations and restore fund balance by the end of the 2010-2011 fiscal year.

**Required Supplemental Information-**  
**Part II**

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Governmental Fund – General Fund  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance- Budget (GAAP Basis) and Actual  
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Ad valorem taxes	1,395,000	1,800,000	1,558,903	(241,097)
Sales and use taxes	2,249,000	2,400,000	1,861,568	(538,432)
Vehicle sales tax	0	290,000	317,021	27,021
Intergovernmental revenues:				
Grants	195,000	195,000	293,856	98,856
State revenue sharing	128,000	128,000	134,652	6,652
State supplemental pay	178,000	190,000	219,740	29,740
Fees	100,000	100,000	242,609	142,609
Feeding and keeping prisoners	550,000	550,000	612,066	62,066
Commissions	500,000	500,000	571,450	71,450
Work Release	295,000	0	(27,227)	(27,227)
Other	80,000	209,000	140,165	(68,835)
<b>Total Revenues</b>	<u>5,670,000</u>	<u>6,362,000</u>	<u>5,924,803</u>	<u>(437,197)</u>
<b>EXPENDITURES</b>				
Public safety:				
Personal services	4,000,000	4,589,000	4,479,067	109,933
Materials and supplies	1,200,000	1,100,000	1,115,799	(15,799)
Feeding and maintain prisoners	0	410,000	609,759	(199,759)
Contractual	120,000	75,000	175,244	(100,244)
Grant expenses	0	102,000	44,859	57,141
Interest expense	0	0	998	(998)
Education expense	45,000	15,000	12,739	2,261
Other	0	0	77,888	(77,888)
Debt Service	-	2,000	21,035	(19,035)
Capital Outlay	<u>325,000</u>	<u>89,000</u>	<u>338,986</u>	<u>(249,986)</u>
<b>Total Expenditures</b>	<u>5,690,000</u>	<u>6,382,000</u>	<u>6,876,374</u>	<u>(494,374)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(20,000)	(20,000)	(951,571)	(931,571)
<b>OTHER FINANCING SOURCES</b>				
Sale of fixed assets	20,000	20,000	10,380	(9,620)
Other financing	<u>0</u>	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	0	0	(441,191)	(441,191)
<b>Fund Balance, Beginning</b>	<u>265,870</u>	<u>265,870</u>	<u>265,870</u>	<u>0</u>
<b>Fund Balance, Ending</b>	<u>\$ 265,870</u>	<u>\$ 265,870</u>	<u>\$ (175,321)</u>	<u>\$(441,191)</u>

The accompanying notes are an integral part of this schedule.

## **Other Supplemental Information**

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

**Drug Task Force**

The Sheriff of Washington Parish together with the City of Bogalusa Police Department comprise the Washington Parish Drug Task Force, which was created to combat drug problems in their joint jurisdictions. The operations of the task force are funded by federal grants from the United States Department of Justice through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, together with a local match of 25% by the Sheriff.



**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

	Drug Task Force Fund
<b>ASSETS</b>	
Cash	\$ 7,338
Grant receivables	<u>0</u>
Total Assets	<u>\$ 7,338</u>
<b>LIABILITIES</b>	
Due to other funds	<u>\$ 7,112</u>
Total Liabilities	<u>7,112</u>
<b>FUND BALANCE</b>	
Unreserved to other funds	<u>227</u>
Total Liabilities and Fund Balance	<u>\$ 7,338</u>

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2009

	<u>Drug Task Force Fund</u>
<b>REVENUES</b>	
Intergovernmental revenues:	
Federal grants	\$ 3,931
Grantee (Sheriff) match	18,578
Interest income	14
Other revenue	<u>28,047</u>
 Total revenue	 50,570
<b>EXPENDITURES</b>	
Public safety:	
Personal services	<u>50,343</u>
 Total expenditures	 <u>50,343</u>
 Net change in fund balance	 227
 Fund balance, beginning of year	 <u>0</u>
 Fund balance, end of year	 <u><u>\$ 227</u></u>

The accompanying notes are an integral part of this financial statement.

**WASHINGTON PARISH SHERIFF**  
Franklinton, Louisiana  
Fiduciary Fund Type – Agency Funds  
For the Year Ended June 30, 2009

**Sheriff's Fund**

The Sheriff's Fund accounts for funds held in civil suits and sheriff's sales. It also accounts for collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws.

**Tax Collector Fund**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

**Sales Tax Collector Fund**

The Sheriff was selected by the Washington Parish Sales and Use Tax Centralization Commission to collect all sales and use taxes (except auto dealers) in Washington Parish beginning July 1, 1996. This fund accounts for the collection of those taxes and the remittance thereof to the various taxing bodies.

**Inmate Fund**

The Inmate Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence.

## For the Year Ended June 30, 2009

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Other Reports

# ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

MEMBER

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Robert J. Crowe  
Washington Parish Sheriff  
Franklinton, Louisiana

I have audited the financial statements of the governmental activities and the major fund of the Washington Parish Sheriff, as of and for the year ended June 30, 2009, which collectively comprise the Sheriff's basic financial statements and have issued my report thereon dated December 23, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Washington Parish Sheriff's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington Parish Sheriff's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Washington Parish Sheriff's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Washington Parish Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Washington Parish Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Washington Parish Sheriff's internal control.

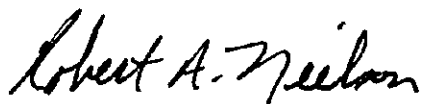
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Washington Parish Sheriff's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Corrective action plan for current year findings as item 2009-1.

This report is intended solely for the information and use of the Washington Parish Sheriff, the Washington Parish Government, and the Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant

Bogalusa, Louisiana  
December 23, 2009

WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana  
Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 2009

**Section I – Internal Control Over Financial Reporting**

NONE

**Section II – Compliance and Other Matters**

Reference No.  
2009-1

Description of Finding

The budget was not properly amended. Actual expenditures exceeded budget expenditures by 7.7%. Louisiana R.S. 39:1311 requires that the budget be amended when total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

Corrective Action Planned

The budget should be amended as necessary to comply with state law.

Management's Response

The Sheriff's Office has instituted a more accurate budget-to-actual tracking system to ensure the budget is amended as required by law. Moreover, the 2009-2010 is currently in the process of being amended.

**Section III – Management Letter**

None



WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana  
Summary Schedule of  
Prior Audit Findings  
For the Year Ended June 30, 2009

**Section I – Internal Control Over Financial Reporting**

Ref. No.- a

Fiscal year finding initially occurred - 2008

Description of findings – Material weaknesses in internal controls

Corrective action taken (yes, no, partially) - Yes

**Section II – Compliance and Other Matters**

Ref. No.- 2008-1

Fiscal year finding initially occurred - 2007

Description of findings – Annual financial reports of local governments are required by Louisiana law to be completed within six months after the year end. Information was not available in time to complete the audit within these requirements.

Corrective action taken (yes, no, partially) - Yes

Ref. No.- 2008-2

Fiscal year finding initially occurred - 2008

Description of findings – Account reconciliations were not done timely.

Corrective action taken (yes, no, partially) - Yes

Ref. No.- 2008-3

Fiscal year finding initially occurred - 2006

Description of findings – State law (R.S. 39:1311) requires that budgets be amended whenever total actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures by five percent or more.

WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana  
Summary Schedule of  
Prior Audit Findings  
For the Year Ended June 30, 2009  
(continued)

Corrective action taken (yes, no, partially) – No (See Ref. No. 2009-1)

**Section III – Management Letter**

None

WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana  
Responses to  
The Legislative Auditor Advisory Services  
Report Dated April 29, 2009

**Financial Management**

Financial records have been made current and bank accounts are reconciled on a timely basis.

**Audit Law**

The current audit will be filed in compliance with the Audit Law (R.S. 24:513).

**Segregation of Duties**

The Sheriff has made, and continues to incorporate, numerous changes to procedures within the accounting department including those specifically addressing the issue of segregation of duties. Procedures have been designed and implemented so that duties effecting the collection, measurement, recording, reconciliation, and review of a transaction are performed by multiple individuals and that misstatements can be prevented or detected and corrected on a timely basis. The procedures have been properly designed relative to the size of the entity.

**Financial Statements**

Financial statements have been brought up to date and are reviewed periodically in order to properly evaluate the fiscal operations of the Sheriff's Office.

**Cash**

Procedures have been changed to incorporate more controls over the collection and recording of cash. Each employee is responsible for their own cash drawer and receipts issued daily. Reports are generated and reviewed daily to reconcile receipts with daily bank deposits.

**Interest Earnings and Distributions**

Procedures have been implemented in order for any interest earnings relative to public funds to be accumulated, prorated, and distributed to the respective taxing bodies.

WASHINGTON PARISH SHERIFF  
Franklinton, Louisiana  
Responses to  
The Legislative Auditor Advisory Services  
Report Dated April 29, 2009  
(Continued)

**Purchasing and Disbursements**

Controls have been designed and implemented so that purchase orders and invoices are reviewed and approved by management in order for expenditures to be monitored and minimized to meet the fiscal objectives, as approved by the Sheriff, and the responsibilities and duties held by the Sheriff's Office.

**Work Release Program**

All assets and liabilities in regards to the Work Release Program have been settled and distributed.

**Sales Tax Audit Plan**

A formal written sales tax audit plan has been developed and approved by the Sheriff in accordance with the contract with the Washington Parish Sales and Use Tax Centralization Commission.

There are no further changes to the issues addressed within the Louisiana Legislative Auditor's Advisory Services Report dated April 29, 2009.